

Sunday, April 25, 2010

By Tim Logan, St. Louis Post-Dispatch

ST. LOUIS - Small businesses generate about two of every three new jobs.

And as the economy digs out of this so-called Great Recession, they're going to need them to create more. Helping that happen was the focus of a workshop Saturday at St. Louis Community College at Forest Park.

It was put on by Rep. Russ Carnahan, D-St. Louis, and a host of federal agencies, and designed to help entrepreneurs navigate the complex worlds of exporting and government contracting and tap into new and expanded lending programs through the \$787 billion American Recovery and Reinvestment Act.

Small businesses are essential to turning the economy around, Carnahan said.

"They are going to drive a lot of this new economy, and the new jobs that are going to be created," he said. "It is entrepreneurs and our work force and our educators who are going to make us grow again."

But without credit, businesses can't grow. And at its roots, the recession is a credit crisis. As banks pulled back on lending, traditional sources of capital, such as home equity loans, dried up. And that squeezed small business.

The Recovery Act has helped address that, said Dennis Melton, district director for the Small Business Association. With \$600 million in federal funding, his agency has guaranteed \$24.5 billion in loans since last February. In the St. Louis area, it has backed 308 loans, worth \$78.8 million, from September through March, up from 191 loans and \$39.2 million in the same period a year ago.

"We know this program is working," he said.

Growing a business is about tapping new markets, too, and the forum also focused on exporting and government contracting. At times, it delved deep into the nuts and bolts of these programs.

That was quite helpful, said Ted Fletcher, who owns a commercial heating and cooling company based in Wellston. He's trying to find ways to develop new customers for his five-year-old, 10-person firm, and understanding what's out there is a huge help.

"We're trying to broaden our horizons," he said. "It's always useful when you can connect dots and connect people together."

The hope is that those connections will eventually lead to job creation.

Lending is picking up, Melton said. Businesses are getting off the sidelines. Eventually, that will lead to hiring as companies become more confident that they'll need more workers.

St. Louis has lost 77,000 jobs in the last two years, and Melton acknowledged it'd take a while to get those back. But, he said, a lot of it will happen a few people at a time.

2010 © St. Louis Post-Dispatch. All rights reserved.